

CHAPTER 126

(Senate Bill 152)

AN ACT concerning

Sales and Use Tax – Long-Term Vehicle Leases

FOR the purpose of exempting from the sales and use tax certain leases of motor vehicles; and providing for the application of this Act.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11-221(a)

Annotated Code of Maryland

(1988 Volume and 1994 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – General

11-221.

(a) The sales and use tax does not apply to:

(1) a sale of an admission by a person whose gross receipts from the sale are subject to the admissions and amusement tax;

(2) a sale of a communication service, other than a taxable service, rendered by a person whose charge for a communication service is or would be subject to the federal excise tax as described in § 4251 of the Internal Revenue Code in effect on July 1, 1979;

(3) a sale of a motor fuel that is subject to the motor fuel tax or the motor carrier tax;

(4) except for a rental, a sale of a motor vehicle, other than a house or office trailer, that is subject to the motor vehicle excise tax under § 13-809 or § 13-811 of the Transportation Article;

(5) A LEASE OF A MOTOR VEHICLE THAT IS LEASED FOR A PERIOD OF AT LEAST 1 YEAR;

[(5)](6) a rental of a motion picture, motion picture trailer, or advertising poster for display on theater premises by a person whose gross receipts from the activity related to the rental is subject to the admissions and amusement tax; or

[(6)](7) except for a rental, a sale of a vessel that is subject to the excise tax under § 8-716 of the Natural Resources Article.